

## HOUSE BILL NO. 56

INTRODUCED BY B. LAWSON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN EXCEPTION TO THE INSURANCE CODE FOR  
LOCAL GOVERNMENT AMBULANCE SERVICES; ~~ALLOWING AMBULANCE SERVICES TO PROVIDE OTHER~~  
~~BENEFITS; AND~~ AMENDING SECTIONS 7-34-103 AND 33-1-102, MCA; AND PROVIDING AN IMMEDIATE  
EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 7-34-103, MCA, is amended to read:

**"7-34-103. Manner of providing ambulance service.** (1) If a county, city, or town establishes or  
maintains ~~such~~ ambulance service it may, acting through its governing board:

(1)(A) operate the ambulance service itself or contract for ~~such~~ ambulance service;

(2)(B) buy, rent, lease, or otherwise contract for vehicles, equipment, facilities, operators, or  
attendants;

~~(3) provide or contract for a benefit for persons who use the ambulance service that covers the  
cost of the ambulance service that is not otherwise covered;~~

(C) SELL AMBULANCE SERVICE INSURANCE OR CONTRACT WITH A THIRD-PARTY ENTITY TO SELL AMBULANCE  
SERVICE INSURANCE TO PERSONS WHO USE THE AMBULANCE SERVICE THAT COVERS THE COST OF THE AMBULANCE SERVICE  
THAT IS NOT OTHERWISE COVERED;

~~(3)(4)(D)~~ adopt rules and establish fees or charges for the furnishing of ~~such an~~ ambulance service.

(2) A COUNTY, CITY, OR TOWN THAT DIRECTLY SELLS AMBULANCE SERVICE INSURANCE OR THAT REMAINS LIABLE  
FOR THE FINANCIAL RISK PURSUANT TO INSURANCE SOLD BY A THIRD PARTY UNDER CONTRACT WITH THE COUNTY, CITY,  
OR TOWN IS EXEMPT FROM TITLE 33, EXCEPT FOR THE PROVISIONS PROVIDED IN 33-18-201 AND 33-18-242."

**Section 2.** Section 33-1-102, MCA, is amended to read:

**"33-1-102. Compliance required -- exceptions -- health service corporations -- health maintenance  
organizations -- governmental insurance programs.** (1) A person may not transact a business of insurance  
in Montana or a business relative to a subject resident, located, or to be performed in Montana without

1 complying with the applicable provisions of this code.

2 (2) The provisions of this code do not apply with respect to:

3 (a) domestic farm mutual insurers as identified in chapter 4, except as stated in chapter 4;

4 (b) domestic benevolent associations as identified in chapter 6, except as stated in chapter 6; and

5 (c) fraternal benefit societies, except as stated in chapter 7.

6 (3) This code applies to health service corporations as prescribed in 33-30-102. The existence of  
7 the corporations is governed by Title 35, chapter 2, and related sections of the Montana Code Annotated.

8 (4) This code does not apply to health maintenance organizations or to managed care community  
9 networks, as defined in 53-6-702, to the extent that the existence and operations of those organizations  
10 are governed by chapter 31 or to the extent that the existence and operations of those networks are  
11 governed by Title 53, chapter 6, part 7. The department of public health and human services is responsible  
12 to protect the interests of consumers by providing complaint, appeal, and grievance procedures relating  
13 to managed care community networks and health maintenance organizations under contract to provide  
14 services under Title 53, chapter 6.

15 (5) This code does not apply to workers' compensation insurance programs provided for in Title  
16 39, chapter 71, parts 21 and 23, and related sections.

17 (6) The department of public health and human services may limit the amount, scope, and duration  
18 of services for programs established under Title 53 that are provided under contract by entities subject  
19 to this title. The department of public health and human services may establish more restrictive eligibility  
20 requirements and fewer services than may be required by this title.

21 (7) This code does not apply to the state employee group insurance program established in Title  
22 2, chapter 18, part 8.

23 (8) This code does not apply to insurance funded through the state self-insurance reserve fund  
24 provided for in 2-9-202.

25 (9) (a) This code does not apply to any arrangement, plan, or interlocal agreement between  
26 political subdivisions of this state in which the political subdivisions undertake to separately or jointly  
27 indemnify one another by way of a pooling, joint retention, deductible, or self-insurance plan.

28 (b) This code does not apply to any arrangement, plan, or interlocal agreement between political  
29 subdivisions of this state or any arrangement, plan, or program of a single political subdivision of this state  
30 in which the political subdivision provides to its officers, elected officials, or employees disability insurance

1 or life insurance through a self-funded program.

2 ~~(10) This code does not apply to ambulance services provided for in Title 7, chapter 34. (A)~~  
3 SUBJECT TO 33-18-201 AND 33-18-242, THIS CODE DOES NOT APPLY TO INSURANCE FOR AMBULANCE SERVICES SOLD  
4 BY A COUNTY, CITY, OR TOWN OR TO INSURANCE SOLD BY A THIRD PARTY IF THE COUNTY, CITY, OR TOWN IS LIABLE FOR  
5 THE FINANCIAL RISK UNDER THE CONTRACT WITH THE THIRD PARTY AS PROVIDED IN 7-34-103.

6 (B) IF THE FINANCIAL RISK FOR AMBULANCE SERVICE INSURANCE IS WITH AN ENTITY OTHER THAN THE COUNTY,  
7 CITY, OR TOWN, THE ENTITY IS SUBJECT TO THE PROVISIONS OF THIS CODE."

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9 NEW SECTION. SECTION 3. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

10 - END -